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Local officials and environmental groups were dismayed last week to find that Gov. Rod Blagojevich's proposed budget didn't include \$4 million they had expected to help clean the long-polluted Waukegan harbor.

The money is essential to secure a \$24 million federal matching grant. "Every other local source has made a commitment," said Cameron Davis, president of the Alliance for the Great Lakes. "The only other final remaining straw in this deal is the state making the commitment for the \$4 million."

In April 2006, officials outlined a \$36 million dredging plan that would be paid for by \$12 million from local sources and \$24 million in matching contributions from the U.S. Environmental Protection Agency. Pledges were secured from the city, from Lake County and businesses that use the harbor.

Money that the state Department of Natural Resources requested for the cleanup was not included in the governor's budget, Davis said.

State Sen. Terry Link (D-Waukegan) said there's nothing to worry about. In the context of the \$32 billion state budget, \$4 million is like "change on the floor you find walking around here," he said. With much legislative wrangling yet to be done, the money would almost certainly find its way into the final 2008 budget, he said.

"I guarantee it," Link said.

Justin DeJong, spokesman for Blagojevich's budget office, said the appropriation is "clearly something that's on the table" as state lawmakers consider the governor's budget.

Polychlorinated biphenyls, or PCBs, were discovered in Waukegan Harbor in 1976. Outboard Marine Corp., a bankrupt boat-engine manufacturer whose factory complex sat on the north end of the harbor, used a PCB-based lubricant that washed into the harbor between 1948 and 1971, according to the EPA.

PCBs have been shown to cause cancer and other illnesses in lab animals. Studies in humans have shown evidence of carcinogenic effects.

Significant progress has been made, and PCB concentrations in the harbor are a fraction of what they were 20 years ago, but state environmental officials estimated that 280,000 cubic yards of the substance remain.

U.S. Rep. Mark Kirk (R-Ill.), who organized the federal funding arrangement, said cleaning the harbor is key to the city's plans for its waterfront, once home to a bustling industrial seaport.

"It's very important to Mayor [Richard] Hyde and Waukegan because we will be able to do little with the lakefront if we have a polluted harbor in the middle of the development," he said, citing a 2003 study that estimated a clean harbor could lead to a property value increase between \$241 million and \$832 million.

Officials must apply for the federal funding by July 1. Officials said that the application must include letters of commitment from the non-federal funding sources, including the state.

Thus far, Lake County has pledged \$2.5 million and Waukegan has promised \$3 million. National Gypsum Co. and Lafarge North America, both of which have facilities on the harbor, have committed \$2 million and \$1 million respectively, Davis said.